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October 18, 2010

FILED ELECTRONICALLY

The Honorable Jocelyn G. Boyd
Chief Clerk
South Carolina Public Service Commission
PO Drawer 11649
Columbia SC 29211

RE: Petition of Virgin Mobile USA, LP for Limited Designation as an Eligible
Telecommunications Carrier in the State of South Carolina
Docket No. 2010-91-C, ELS File No. 2231-11716

Dear Jocelyn:

Enclosed for filing on behalf of Virgin Mobile USA, LP ("Virgin Mobile") and Assurance Wireless of South Carolina, LLC ("Assurance Wireless") is the verified Supplemental Testimony of Elaine Divelbliss, Senior Counsel in Sprint's Prepaid Group of Virgin Mobile.

Virgin Mobile and Assurance Wireless request that the Commission approve the assignment of Virgin Mobile's above-captioned application for designation as an eligible telecommunications carrier ("ETC") to Assurance Wireless.

Sincerely,

s/John J. Pringle, Jr.
John J. Pringle, Jr.

JJP/cr
Attachment

cc: C. Lessie Hammonds, Esquire (via electronic mail service)
Mr. John Beahn (via electronic mail service)
Elaine Divelbliss, Esq. (via electronic mail service)

BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2010-91-C

IN RE:)
)
)
Virgin Mobile USA, L.P.)
Petition for Limited Designation as an)
Eligible Telecommunications Carrier)
in the State of South Carolina)

SUPPLEMENTAL DIRECT TESTIMONY OF ELAINE DIVELBLISS

1 **Q: WHAT IS YOUR NAME AND OCCUPATION?**

2 A: My name is Elaine Divelbliss. I am a Senior Counsel in Sprint's Prepaid Group with
3 primary responsibility over the business and regulatory affairs of Virgin Mobile USA,
4 L.P. ("Virgin Mobile" or the "Company").

5

6 **Q: WHAT IS YOUR BACKGROUND?**

7 A: I joined Virgin Mobile in September 2008 as Associate Counsel with responsibility for
8 litigation and selected regulatory matters. Subsequent to the acquisition of Virgin Mobile
9 by Sprint, my title is Senior Counsel. Prior to joining Virgin Mobile, I practiced in the
10 litigation department of Simpson Thacher & Barlett LLP in New York City for ten years.

11

12 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A: The purpose of my testimony is to endorse and adopt the testimony previously submitted
2 in this proceeding by Peter Lurie. Mr. Lurie has left Virgin Mobile after ten years with
3 the Company. In addition, the purpose of my supplemental testimony is to update Virgin
4 Mobile's application, and describe the arrangement through which Virgin Mobile's
5 services will be provided in South Carolina should the Commission approve this Petition.
6

7 **Q: HAVE YOU BEEN AUTHORIZED TO ADOPT MR. LURIE'S TESTIMONY?**

8 A: Yes.
9

10 **Q: HAVE YOU REVIEWED MR. LURIE'S TESTIMONY AND EXHIBITS?**

11 A: Yes. I reviewed his Direct Testimony filed on July 7, 2010, which I have attached as
12 **Exhibit 1.**
13

14 **Q: HAVE YOU REVIEWED THE PETITION AND OTHER DOCUMENTS FILED**
15 **BY VIRGIN MOBILE IN THIS PROCEEDING?**

16 A: Yes.
17

18 **Q: DO YOU HAVE ANY CHANGES OR UPDATES TO MR. LURIE'S**
19 **TESTIMONY, THE PETITION OR ANY OTHER DOCUMENT FILED BY THE**
20 **COMPANY?**

21 A: Yes. In Mr. Lurie's Testimony, he noted that Virgin Mobile provides 200 free monthly
22 voice minutes to eligible Lifeline customers. Virgin Mobile recently increased the
23 number of free monthly voice minutes to 250. Mr. Lurie also noted that Virgin Mobile

1 had received eligible telecommunications carrier (“ETC”) designation for the limited
2 purpose of offering Lifeline services in a total of nine states. Since that time, the
3 Company has received ETC designation in two additional states: New Jersey and West
4 Virginia.

5
6 **Q: WHAT TYPE OF ETC DESIGNATION DID THE COMPANY RECEIVE IN**
7 **THESE STATES?**

8 A: Consistent with the Company’s request, the public utility commissions of New Jersey and
9 West Virginia designated Virgin Mobile as a facilities-based ETC solely for purposes of
10 offering Lifeline services.

11
12 **Q: DO YOU HAVE ANY OTHER CHANGES OR UPDATES?**

13 A: No.

14
15 **Q: WHAT IS ASSURANCE WIRELESS OF SOUTH CAROLINA, LLC?**

16 A: Assurance Wireless of South Carolina, LLC (“Assurance Wireless SC”) has been
17 established as a wholly owned subsidiary of Virgin Mobile. Assurance Wireless SC is a
18 Delaware limited liability company, and has received authorization from the South
19 Carolina Secretary of State to do business in South Carolina. Attached as **Exhibit 2** is
20 the Certificate of Authorization issued by the South Carolina Secretary of State.

21
22 **Q: WHAT IS THE PURPOSE FOR VIRGIN MOBILE’S ESTABLISHMENT OF**
23 **ASSURANCE WIRELESS SC?**

1 A: Assurance Wireless SC's only activity in the State of South Carolina will be to offer
2 Lifeline services supported by the federal Universal Service Fund to low-income South
3 Carolina households. It will offer Lifeline services under the brand "Assurance Wireless
4 Brought To You By Virgin Mobile" upon being designated as an ETC by the
5 Commission in this Docket.

6
7 **Q: WILL ASSURANCE WIRELESS SC CONTRIBUTE TO THE SOUTH**
8 **CAROLINA UNIVERSAL SERVICE FUND?**

9 A: In South Carolina, commercial mobile radio service ("CMRS") providers are not required
10 to contribute to the South Carolina Universal Service Fund ("State USF"). However,
11 CMRS providers designated as ETCs are required to contribute to the State USF. Like
12 other wireless ETCs in South Carolina, Assurance Wireless SC will contribute to the
13 State USF based on the revenues it earns from South Carolina customers. Virgin Mobile,
14 as a CMRS provider, but not an ETC, will not contribute to the State USF.

15
16 **Q: WHAT DO VIRGIN MOBILE AND ASSURANCE WIRELESS SC**
17 **RECOMMEND THAT THE COMMISSION DO UPON RECEIPT OF THIS**
18 **TESTIMONY?**

19 A: Virgin Mobile and Assurance Wireless SC respectfully request that the Commission
20 assign Virgin Mobile's pending application for designation as an ETC to Assurance
21 Wireless SC and that it designate Assurance Wireless SC as an ETC for the limited
22 purpose of providing Lifeline service to low-income South Carolina households.

1 **Q: PLEASE DESCRIBE ASSURANCE WIRELESS SC’S LIFELINE PROPOSAL.**

2 A: Upon designation as an ETC, Assurance Wireless SC will offer the same Lifeline
3 services that Virgin Mobile has proposed to offer in this proceeding.

4

5 **Q: ARE THERE ANY OTHER CONDITIONS THAT VIRGIN MOBILE AND THE**
6 **ORS HAVE DISCUSSED?**

7 A: Yes. ORS has indicated that it would support the application of Assurance Wireless SC
8 for designation as a Lifeline-only ETC in South Carolina subject to the conditions set out
9 in the Joint Proposal previously approved by the Commission in this Docket. An
10 executed copy of the Proposal is attached hereto as **Exhibit 3**.

11

12 **Q: ARE THOSE CONDITIONS ACCEPTABLE TO ASSURANCE WIRELESS SC?**

13 A: Yes.

14


15 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A: Yes.

VERIFICATION


I, Elaine Divelbliss, do hereby declare under penalty of perjury, that the foregoing Supplemental Direct Testimony is true and correct to the best of my knowledge and belief.

Executed on October 12, 2010



Elaine Divelbliss
Virgin Mobile USA, L.P.

Subscribed and sworn before me
This 12th day of October, 2010.



Notary Public

ELIZABETH E. BLOWNK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires February 27, 2011